

## **Minutes of the CUTS CCIER International Advisory Board Meeting**

**Paris, 20 February 2009**

### **1. Participants**

#### *IAB Members*

Allan Fels (AF), Frederic Jenny (FJ) (In Chair), R. Shyam Khemani (SK)  
George K Lipimile (GL), Taimoon Stewart (TS)

#### *Absentees*

Allan Asher, Philippe Brusick, Cezley Sampson, S Chakravarthy, S L Rao  
David Lewis, Eleanor Fox, Gesner Oliveira, Mona Yassine, Robert Anderson  
Simon J. Evenett, Scott Jacobs, Wang Xiaoye, Pradeep S Mehta

#### *Special Invitees*

Susan Joekes (SJ), David Lewis (DL)

#### *In Attendance*

Siddhartha Mitra (SM), CUTS International

### **2. Working Agenda**

Some new areas have emerged over recent times with regard to CUTS work on competition and regulatory issues. CUTS intends to undertake certain activities (research/advocacy) in these new areas and therefore suggestions from the IAB were invited on the same. These areas are:

- a) RTAs and Competition
- b) Competition and Informal Sector/SMEs
- c) Competition and Corruption
- d) Competition policy and Economic Development
- e) Competition policy and Private Sector Development
- f) Regulatory governance
- g) Investment Promotion and Competition

In addition, comments were invited on the minutes of the last meetings and areas dealt with there.

### **3. Proceedings**

3.1 The meeting of the CCIER International Advisory Board (IAB) was held on the sidelines of the annual OECD *Global Forum for Competition* in Paris. The meeting was held at 8:20 a.m. in the OECD cafeteria on 20<sup>th</sup> February.

3.2 At the outset, SM thanked all the IAB members thanked all the members for taking time out of their busy schedules to attend the meeting. He highlighted some of the areas dealt with in the last IAB meeting (13<sup>th</sup> August, 2008), drew attention

to the ‘Action Taken Report’ (ATR) describing specific action taken by CUTS CCIER in response to the suggestions received from advisers over the previous advisory board meetings, and invited comments on the new areas highlighted above ( in 2.). He also highlighted the major ongoing projects (India Competition and Regulation Report-2, RESA, 7 up 4) and proposals made (especially CDRF-2) as well as the ongoing research on various topics.

3.3 SM then requested FJ as the Chairman of the IAB to moderate the discussion. FJ moderated the discussions till 9 a.m. when he had to leave. The task of moderation was performed by SM from there on till 9:20 a.m. when the meeting ended. In the following section, a summary of the discussions is presented:

### 3.3.1 Regulatory Impact Analysis

SK felt that the World Bank (WB) had already developed some expertise in the area and were engaging with the Government of India (GOI) on this issue. He felt that that CUTS should keep in close touch with both WB and GOI on this issue. CUTS could also benefit from the technical expertise of the bank. SK also acceded to SM’s request to provide more information about WB-GOI collaboration on RIA. FJ said that RIA should have an objective in mind such as influencing regulatory change. He felt that it was necessary to keep the various stakeholders involved in the process and hold both awareness building and consultation workshops. DL felt that while performing RIA in a particular sector the focus should be on a narrow set of regulations. Otherwise, the task could be very onerous in a large country like India.

### 3.3.2 CDRF-2

SK pointed out that CUTS should seek help from the PREM network of the World Bank. On being told about the proposal sent by CUTS to GDN for CDRF-2 he mentioned that he would be meeting Gobind Nankani in Delhi the week after and would be glad to put in a good word

### 3.3.3 RTAs and Competition

It was mentioned that a lot of work had been done on the subject (FJ and GL drew attention to the work done by Simon Evenett and UNCTAD and SJ pointed out that work had been done by ARTNeT of UNESCAP) and CUTS should try to build on that work. This was not seen to be an area by IAB members in which there was scope for making a major contribution.

### 3.3.4 Competition and Informal Sector /SMEs

The IAB members labeled this as a ‘hot topic’ which was almost totally unexplored. Moreover, CUTS had already got a head start on the issue. Almost all members unanimously felt that the research agenda presented at OECD GFC by CUTS (SM) needs to be carried further. In addition SJ made the point that a lot of work had to be done in defining the informal sector, with due acknowledgement of the various ways in which it has been defined in the past. SJ and TS also felt that related work on the relationship between informality and growth should be undertaken by CUTS. AF pointed out a useful reference in the Indian context – the study conducted on unorganized retailing by ICRIER.

### 3.3.5 Competition and Corruption

Here SK pointed out that CUTS could do good investigative work by compiling the affiliations of the directors of various companies with a view to explore the nexus between big business and government. AF felt that programmes which actively sought the cooperation of the corporate sector in this regard had to be carefully structured so as to ensure a positive response.

### 3.3.6 Competition and Economic Development/Private Sector Development

In general it was felt that these topics were too broad for the IAB to offer any specific and useful suggestions. In future the IAB recommended that its recommendations should be sought on narrower topics. SM had earlier informed the IAB members about the research CUTS has initiated in this regard.

### 3.3.8 Regulatory Governance

Again the same comment was made by the IAB members that this was too broad a topic for inviting suggestions. However the IAB members stressed the importance of leveraging existing work. It was felt that work on the principles of corporate governance could be recommended. GL recommended that CUTS should concentrate more on 'nuts and bolts issues' rather than academic research. One such areas was the facilitation of the day to day management of competition agencies. AL too stressed that strategic management of such agencies was an area in which CUTS could make a contribution.

### 3.3.9 Investment Promotion and Competition policy

The IAB members were quite enthusiastic about CUTS working on this topic. While FJ advocated looking at policy regarding FDI, SK felt that all investment, whether domestic or foreign, should be studied.

*Since there were no further comments, SM thanked all the participants and closed the meeting.*